Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 16089 231456Z

44
ACTION EUR-12

INFO OCT-01 IO-04 ISO-00 SP-02 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

DODE-00 PM-03 H-01 INR-05 L-02 NSAE-00 PA-01 PRS-01

USIA-06 SAJ-01 NIC-01 COME-00 /074 W
---------- 091361
R 231340Z OCT 74
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 3754
INFO USMISSION BERLIN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
US MISSION EC BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
USMISSON GENEVA
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY LONDON
USMISSION NATO
AMEMBASSY PARIS
USMISSION OECD PARIS
AMEMBASSY PRAGUE
AMEMBASSY ROME
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L MOSCOW 16089

E.O. 11652: GDS
TAGS: EGEN ETRD EEC COMECON
SUBJ: FRG NEGOTIATION OF NEW ECONOMIC COOPERATION AGREEMENT WITH
USSR

REF: A) BONN 16622; B) USEC 8054; C) MOSCOW 15879 (NOTAL);
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 16089 231456Z

D) MOSCOW 15352 (NOTAL)

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

1. SUMMARY: IN EFFORT TO PARTIALLY SATISFY SOVIET DEMANDS FOR NEGOTIATION OF NEW FRG-USSR BILATERAL TRADE AGREEMENT BEFORE END OF THIS YEAR, FRG HAS AGREED TO NEOGTIATE A VERY GENERAL, FIVE-YEAR ECONOMIC COOPERATION AGREEMTN WITH USSR--AN APPROACH SIMILAR TO THAT BEING TAKEN BY THE FRENCH. FRG EMBASSY MOSCOW, WHICH IS HANDLING NEGOTIATIONS, REGARDS NEW AGREEMENT AS "SUB-AGREEMENT" TO EXISTING TEN-YEAR ECONOMIC COOPERATION PROTOCOL. SUBJECTS OF TRADE AND MFN ARE EXCLUDED, SINCE THESE WILL COME WITHIN COMPETENCE OF EC COMMISSION AFTER 1, JAN 1975. NEGOTIATIONS CURRENTLY STALLED BECAUSE OF SOVIET INSISTENCE THAT A 1958 FRG-USSR AGREEMENT GRANTING MFN TO USSR, ALSO REMAIN IN FORCE, BUT FRG EMBASSY MOSCOW CONFIDENT THAT SOVIETS WILL EVENTUALLY YIELD. END SUMMARY.

2. FOLLOWING SUPPLEMENTS INFORMATION PROVIDED IN REF A REGARDING SOVIET EFFORTS TO BYPASS IMMINENT EC COMMISSION ASSUMPTION OF RIGHT OF NEGOTIATION OF BILATERAL COMMERCIAL AGREEMENTS ON BEHALF OF EC GOVERNMENTS.

3. DURING OCT 23 DISCUSSION FRG EMBASSY MOSOCW ECONOMIC OFFICER HAS PROVIDED DETAILS ON NEW ECONOMIC COOPERATION AGREEMENT WHICH FRG IS CURRENTLY NEGOTIATING WITH USSR TO ACCOMMODATE PRESISTENT SOVIET DEMANDS FOR "A NEW TRADE AGREEMENT" TO REPLACE FRG-USSR AGREEMENT WHICH EXPIRES AT END OF THIS YEAR. URGENCY OF SOVIET REQUESTS OBVIOUSLY FUELED BY DESIRE TO CIRCUMVENT EC DEADLINE WHICH REQUIRES THAT ALL EC COUNTRY COMMERICAL AGREEMENTS WITH THIRD COUNTRIES, INCLUDING STATE TRADING COUNTRIES, MUST BE NEGOTIATED THROUGH EC COMMISSION IN BRUSSELS AFTER JAN 1, 1975. SOVIETS THEREFORE WISH NEGOTIATE BEFORE JAN 1 DATE SOME NEW AGREEMENT WHICH WILL CONTINUE TO BE VALID AFTER THAT TIME.

4. FRG IS TAKING SAME APPROACH TO THIS MATTER AS THAT BEING TAKEN BY FRANCE, REPORTED REF. C. IT IS NEGOTIATING VERY GENERAL AGREEMENT ON ECONOMIC COOPERATION WHICH IT REGARDS AS "SUB-AGREEMENT" TO EXISTING TEN-YEAR COOPERATION PROTOCOL. CONFIDENTIAL

NEW AGREEMENT WILL INCLUDE CLAUSES FAVORING IMPROVED "BUSINESS FACILITATION" FOR FRG FIMRS MAINTAINING REPRESENTATIVES IN MOSCOW. ALSO, AT SOVIET REQUEST, WILL INCLUDE CLAUSE EXPRESSING WILLINGNESS BOTH SIDES T SUPPORT BEST POSSIBLE TERMS FOR MEDIUM AND LONG-TERM BANKING CREDITS. (FRG HAS INSISTED THAT THERE BE NO REFERENCE TO STATE CREDITS.)

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

5. ONE POINT WHICH IS CURRENTLY AN OBSTACLE TO QUICH CONCLUSION OF NEW AGREEMENT IS SOVIET DEMAND THAT IT NOT RPT NOT RESULT IN ABROGATION OF 1958 USSR-FRG TRADE AND MARITIME AGREEMENT. SOVIETS WISH TO KEEP THIS AGREEMENT IN FORCE BECAUSE IT CONTAINS MFN CLAUSE, AND INSIST THAT IT REMAIN IN FORCE PARALLEL TO NEW COOPERATION SUG-AGREEMENT. THEY ALSO CLAIM THAT ABOLITION OF 1958 AGREEMENT WILL REMOVE LEGAL BASIS FOR THEIR PRESENT TRADE REPRESENTATION OFFICES IN KOLN.

6. ALTHOUGH NEGOTIATIONS, WHICH ARE BEING CONDUCTED AT FRG EMBASSY MOSCOW, ARE CURRENTLY DEADLOCKED ON ISSUE OF OLD 1958 AGREEMENT, FRG OFFICIALS ARE OPTIMISTIC THAT IMPASSE WILL BE RESOLVED AND THAT SOVIETS WILL BE FORCED TO YIELD ON MFN ISSUE AS STATED IN BONN'S 16622 (REF A.).
STOESSEL

CONFIDENTIAL

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, COMMITTEE MEETINGS, COMMUNIST COUNTRIES TRADE, TRADE AGREEMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MOSCOW16089
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740302-0823
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741023/aaaaatoe.tel
Line Count: 131
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) BONN 16622; B) USEC 8054; C) MOSC, OW 15879 (NOTAL);
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by boyleja>; APPROVED <05 JUL 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRG NEGOTIATION OF NEW ECONOMIC COOPERATION AGREEMENT WITH USSR
TAGS: EGEN, ETRD, UR, FR, EEC, COMECON
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005